



ASC Times

All India Taxes Weekly Referencer

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Solving any tax puzzle

Tax saving advice across all the taxes



From the CEO's Desk



Hi All,

No one has any control on nature's decision and no matter how powerful a man becomes, mother earth has always been stronger. The recent earthquake in Nepal has been devastating. Tormented from all sides, Nepal needs help from everyone if possible. From UN to normal citizens everyone is trying to donate as much as they can. A praise worthy initiative came from I-T department of India in the form of launching a 'Tatkal' approval mechanism for I-T exemptions to charitable and self-help organizations who desire to help the Nepal earthquake victims. I would also like to pledge to all, please donate some amount to help rebuild Nepal.

PM Mr. Modi led government is determined to improve India's position to top 50's from currently 142nd when it comes to ease of doing business in the country. Many amendments were approved which are a part of the Companies (Amendment) Bill, 2014. These include doing away with a mandatory declaration by a firm before commencing business. The changes have also been cleared to fast-track the approval process for draft notifications aimed at granting exemptions from various provisions of the Companies Act.

The Finance Bill 2015 was tabled by Finance Minister Mr. Arun Jaitley in Lok Sabha on Thursday, 30th April, 2015 and passed by voice vote. About 41 amendments were moved including clarifications on the issues pertaining to Income Tax Return forms, relief of

Minimum Alternate Tax levied to FIIs, Real Estate Investment Trusts as well as India's growth projection. Mr. Jaitley also relaxed conditions stipulated in the Finance Bill for foreign fund managers to relocate to India without having to face adverse tax consequences. Relaxation was also given on export duty of iron ore and customs duty on raw silk.

In a yet another initiative to control black money, Government is expected to provide a compliance window of six months before the new law on overseas black money kicks in. Also it is ready with the proposed bill on 'benami' property to crack down on those who have undisclosed property registered in someone else's name. Under the one-time compliance scheme, individuals will have the option to pay 30% penalty of the value of undisclosed assets and avoid prosecution. Those who do not use the window face stringent provisions under the proposed law, including 90% penalty on those who have undisclosed foreign assets and income overseas in addition to imprisonment up to 10 years. The government has, however, suggested that those with minor balances in foreign accounts, which may have been missed due to oversight, be exempted from the penalty or prosecution provisions. As a result, it has fixed Rs. 5 lakh as the threshold limit.

Best Wishes

Alok Kumar Agarwal
CEO
ASC Group

TAX CALENDAR

Due Date	Compliances	from	04/05/2015	to	10/05/2015
6th May	Online Payment of Service Tax for the month of Apr.,2015				
7th May	WCT Payment for Assam Payment of TDS/TCS Submission of Form No. 15G, 15H and 27C received in Apr. to IT Commissioner				
10th May	ER1, ER2, ER6 Return for April,2015 West Bengal Sales Tax TDS Payment for the month of April.,2015 VAT,CST,ET,WCT,PT Payment for Chhattisgarh WCT Payment for West Bengal, Nagaland, Mizoram, Arunachal Pradesh, Madhya Pradesh				

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Country Wide Holidays for the Week

Date	State	Occasion/Festival
4th May	Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Maharashtra, Mizoram, Uttar Pradesh, Uttarakhand	Buddha Purnima
9th May	West Bengal	Birthday Of Rabindra Nath Tagore

CENTRAL TAXES

SERVICE TAX

NOTIFICATIONS & CIRCULARS

MEGA EXEMPTION

The **MOF vide Notification 12/2015 dated 30th April 2015** has made amendments to Notification No.25/2012 dated 20th June 2012. The following are the amendments:

- 1.) Service Tax on services of Life Insurance business provided under:
 - a) Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)
 - b) Pradhan Mantri Jan Dhan Yojana (PMJDY)
 - c) Pradhan Mantri Suraksha Bima Yojana (PMSBY)
 have been exempted.

- 2.) Service tax on services by way of collection of contribution under Atal Pension Yojana (APY) have been exempted.

OUR TAKE: The above mentioned services are now covered by the List of services under Mega Exemption and hence service tax on all such services shall be exempted.

M/S. SREE ANNAPOORNA HOSPITALITY SERVICES PVT. LTD V/S THE COMMISSIONER OF CUSTOMS CENTRAL EXCISE AND SERVICE TAX (Madras HC)

BRIEF: The assessee is providing services of out-door catering services to various customers including institutional customers such as M/s. Lakshmi Machine Works Ltd., M/s.Hindustan Photo Films, ,etc. on mutually agreed terms. In the course of their business, the Audit Team of the Dept. sent them a letter dated 03.04.2013 with regard to split up cost of materials and services. Further, a SCN dated 20.09.2013 was issued to the assessee proposing the differential service tax on Out Door Catering Services for the period from 01.04.2008 to 31.03.2012 under proviso to sub-section (1) of Section 73 of Finance Act, 1994. The assessee sent their reply dated 16.12.2013 to the SCN and also attended personal hearing held on 21.04.2014 and opted Notifications as regards sale of ingredients. However, the adjudicating authority held that the assessee is not eligible for the benefit of Notification No.12/2003-ST and impugned order dated 26.12.2014 has been passed. Aggrieved by the same, the present writ petition is filed.

OUR TAKE: In the above case, the **Hon'ble Madras High Court** held that whether the assessee was eligible for the benefit of Notification No.12/2003-ST was a disputed question of fact and the same could be raised before the CESTAT as the assessee had the remedy of filing the appeal against the order. However, there was no violation of the principles of natural justice and the order had been passed following the procedure stipulated in Finance Act 1994. Hence, the petitioner was bound to pay 7.5% of the service tax demand at the time of filing the appeal before the CESTAT, and it could not be reduced by the Court. **[Decided against assessee]**

M/S. DREAM CASTLE V/S COMMISSIONER OF CENTRAL EXCISE (Madras HC)

BRIEF: The assessee is a proprietary concern engaged in the business of real estate consultancy and agency. It is registered under the relevant service tax regulations and pays service tax on the services rendered by it. Its proprietor is a partner in M/s. RJK Investments, a firm, which entered into an agreement with M/s. DLF Home Development Ltd., a company for arranging the purchase of a large tract of land in Tamil Nadu. The petitioner was authorized as partner of the firm to collect the monies from DLF and to disburse the same to the land owners, the agents or RJK Investments itself. According to the petitioner, the respondent has held that the entire amount received by the petitioner, even though it was disbursed to third parties and the petitioner has acted as a mere agent for payment of funds to the identified parties, is liable to service tax.

OUR TAKE: In the above case, the **Hon'ble Madras High Court** held that on verification of the invoices, it was clear that the assessee had received commission from the nominees of DLF. The assessee had wilfully suppressed important facts of the case (adopting a double set of invoice system to mislead the government). Thus, there was a malafide intention to evade payment of service tax. Hence, the assessee was liable to pay the entire amount of service tax along with interest and, penalty u/s 77 and 78. **[Decided against assessee]**

ALARSIN V/S COMMISSIONER OF CENTRAL EXCISE, MUMBAI-I (CESTAT Mumbai)

BRIEF: The appellant has two units, one is at Udhna in Gujarat and one in Mumbai. Gujarat Marketing Agency has

provided the services of Business Auxiliary Services for the products manufactured in Gujarat as well as in Mumbai. It is also undisputed that the goods were being manufactured and cleared from Udhana, Gujarat as well as Mumbai. It is the case of the Revenue that service tax paid on the services rendered for the marketing of the produced goods in Gujarat needs to be denied proportionately. Both the lower authorities recorded their findings that the appellant could not have utilized CENVAT credit at Mumbai for the products manufactured and cleared from Gujarat. The lower authorities have also held that marketing services are not interconnected with the manufacturing of the goods.

OUR TAKE: In the above case, the **Hon'ble CESTAT Mumbai** held that CENVAT Credit availed on the service tax paid by the service provider is not in dispute and the services were rendered to the appellant. When there was no dispute as regards the services received by the appellant for the activity and service tax liability having been discharged by the service provider, omission to take registration as an Input Service Distributor was to be considered as procedure irregularity. Hence the impugned order was set aside. Following the decision in the cases of **Mangalore Refinery and Petrochemicals (CESTAT Bangalore)** and **Market Creators Ltd. (CESTAT Ahmedabad) [Decided in favour of assessee]**

CENTRAL EXCISE

NOTIFICATIONS & CIRCULARS

AMENDMENT TO CENVAT CREDIT RULES

The MOF vide **Notification No. 12/2015-Central Excise (N.T.) dated 30th April 2015** has made amendments to the CENVAT Credit Rules, 2004, namely:-

Rule 3(7)(b) of the CCR, 2004 has been amended so as to allow utilisation of credit of Education Cess and Secondary & Higher Education Cess for payment of basic excise duty in the following situations:

- 1.) Education Cess and Secondary & Higher Education Cess on inputs or capital goods received in the factory of manufacture of final product on or after the 1st day of March, 2015;
- 2.) Balance 50% Education Cess and Secondary & Higher Education Cess on capital goods received in the factory of manufacture of final product in the financial year 2014-15; and
- 3.) Education Cess and Secondary & Higher Education Cess on input services received by the manufacturer of final product on or after the 1st day of March, 2015.

OUR TAKE: Henceforth, the EC and SHEC on inputs and capital goods received in the factory of manufacture can be utilized for the payment of basic excise duty.

WITHDRAWAL OF EXCISE DUTY EXEMPTION

The MOF vide **Notification No. 23/2015 - Central Excise dated 30th April 2015** has made the following amendments:

- 1.) Excise duty exemption presently available to Ordnance Factories is being withdrawn.
- 2.) Excise duty exemption presently available to Defence PSUs is being withdrawn.

The amendment shall however be effective from **1st June 2015**.

Also, vide **Notification No. 24/2015-Central Excise dated 30th April 2015**:

- 1.) Excise duty exemption on finishing agents, dye carriers to accelerate the dyeing or fixing of dye-stuffs, printing paste and other products and preparations of any kind used in the same factory for the manufacture of textiles and textile articles has been withdrawn.
- 2.) The concessional excise duty (and hence, CVD) of 6% on Hard disk, CD ROM drive, DVD drive or writer, Combo drive, flash memory, microprocessors has been restricted only to actual users for manufacture of computer (PCs/desktops) falling under heading **8471. S.No.255/2012-Central Excise, dated 17.03.2012**.

OUR TAKE: Accordingly as per the respective notifications the exemption earlier available shall stand withdrawn.

FURTHER AMENDMENTS

The MOF vide **Notification 13/2015 dated 30th April 2015** and **Notification No.25/2015 dated 30th April 2015** has made the following amendments:

The speed range for 'jarda scented tobacco' has been divided into two ranges (as in case of chewing tobacco),

- (a) first upto 300 pouches per minute; and
- (b) second from 301 onwards, and the deemed capacity and duty payable have been notified accordingly.

OUR TAKE: Please refer the notifications for more information.

COURT DECISIONS

**COMMISSIONER OF CENTRAL EXCISE & ST., SURAT V/S
M/S. ENZAL CHEMICALS (INDIA) LIMITED (CESTAT
Ahmedabad)**

BRIEF: The respondent were engaged in the manufacture of Chemicals classifiable under Chapter 28 and 29 of the First Schedule of Central Excise Tariff Act, 1985. They used common inputs in the manufacture of both, excisable and exempted final products, but the inputs namely Diethyl Carbanyl Chloride were used exclusively in the manufacture of exempted final product. A SCN was issued proposing to deny credit of ₹ 29,26,632/- alongwith interest and penalty on the inputs Diethyl Carbanyl Chloride used exclusively for the manufacture of finished goods i.e. Diethyl Carbamazine Citrate (DECC), during the period from September 2001 to August 2004, as per the provisions of Rule 6 of the CENVAT Credit Rules 2001, 2002/2004. The Adjudicating authority confirmed the demand of ₹ 29,26,632/- alongwith interest and appropriated an amount of ₹ 8 Lakh, as deposited during the investigation. He has also imposed penalty of equal amount of duty.

OUR TAKE: In the above case the Hon'ble CESTAT Ahmedabad held that CENVAT credit was not permissible on inputs exclusively used in the manufacture of exempted goods. However, the respondent is given an opportunity to place their submission. Following decision of **Ratnamani Metals & Tubes Limited (CESTAT Ahmedabad)**. [Decided in favour of Revenue]

**M/S GALLANT ISPAT LTD V/S COMMISSIONER OF CENTRAL
EXCISE AND SERVICE TAX, ALLAHABAD (CESTAT New
Delhi)**

BRIEF: The appellant is manufacturer of MS ingots, steel bars etc. The appellant procured welding electrodes on which CENVAT credit sought to be denied on the premise that these welding electrodes are neither inputs nor capital goods. Therefore, they are not entitled to take CENVAT credit. In reply to the SCN, the appellant submitted that the welding electrodes were used to remove runners and risers from the ingots and sometimes for cutting of steel bars and billets etc. The adjudicating authority also observed in his order that welding electrodes have been used in fabrication /manufacture of capital goods of plant and machinery but the Commissioner (Appeals) gave a finding that Dept. has alleged that during visit to unit the inputs under reference have been found as used for laying the foundation and in making structures in support of capital goods and on such fabrication which is attached or embedded on earth are

neither in nature. Thereafter the CENVAT credit on welding electrodes was denied.

OUR TAKE: In the above case, the Hon'ble CESTAT New Delhi held that in reply to the SCN, the appellant has explained their usage which was used in the manufacturing of their final product by removing the runners and risers from the ingots. But these contentions have not been controverted by the Revenue neither in the adjudication order nor in the order of Commissioner (Appeals) to deny CENVAT credit. Also, held that if welding electrodes have been used for repair and maintenance of plant and machinery, CENVAT credit is available. Therefore, appellant is entitled to take CENVAT credit on welding electrodes which have been used in repair and maintenance of their final product. [Decided in favour of assessee]

CUSTOMS

NOTIFICATIONS & CIRCULARS

CHANGE IN RATE OF DUTY

The MOF vide **Notification No. 28/2015 dated 30th April 2015** has made the following amendments:

- 1.) Basic Customs Duty on raw and refined / white sugar increased from 25% to 40%;
- 2.) Basic Customs Duty on Colemanite and other Boron ores has been reduced from 2.5% to Nil;
- 3.) Basic Customs Duty on natural rubber (NR) increased from 20% or Rs. 30 per kg., whichever is lower, to 25% or Rs. 30 per kg., whichever is lower;
- 4.) Basic Customs Duty on raw silk (not thrown) reduced from 15% to 10%;
- 5.) All Digital Still Image Video Cameras (DSC) falling under tariff item 8525 80 20 and their parts exempted from Basic Customs Duty; &
- 6.) Export duty on iron ore fines (below 58% Fe content) reduced from 30% to 10%.

OUR TAKE: The notification is self-explanatory.

EXEMPTION WITHDRAWN

The **MOF vide Notification No. 29/2015 dated 30th April 2015** has withdrawn the exemption from additional duty of customs levied under section 3 of the Customs Tariff Act (both CVD and SAD) in respect of certain entries of **notification No.39/96-Customs, dated 23.07.1996**. However, exemption from Basic Customs Duty in respect of these entries would continue. Further, exemption from

Basic Customs Duty, CVD and SAD in respect of direct imports by the Government of India and the State Governments would continue.

The amendment shall however be effective from **1st June 2015**.

OUR TAKE: Please refer the notification for more information.

COURT DECISIONS

MAKHAN SINGH V/S STATE OF HARYANA (Supreme Court)

BRIEF: The appeal relates to the order passed by the Hon'ble Punjab & Haryana High Court whereby the High Court affirmed the conviction of the appellant under Section 15 of the Narcotic Drugs and Psychotropic Substances Act, 1985 (for short 'the NDPS Act') and also the sentence of imprisonment of ten years along with a fine of ₹ 1,00,000/- imposed on the appellant.

OUR TAKE: In the above case the Hon'ble Supreme Court held that it is a well-settled principle of the criminal jurisprudence that more stringent the punishment, the more heavy is the burden upon the prosecution to prove the offence. In the absence of independent evidences, mere compliance with Section 50 of the NDPS Act by itself would not be sufficient to establish the guilt of the appellant. In cases of NDPS Act the punishment is severe, therefore strict proof is required for proving the search, seizure and the recovery. Since the independent witnesses did not support the prosecution case the conviction of the appellant under Section 15 of the NDPS Act cannot be sustained. **[Decided in favour of assessee]**

SINGH INTERNATIONAL V/S COMMISSIONER OF CUSTOMS (GENERAL), MUMBAI, POLYGLASS ACRYLIC MFG CO. PVT LTD V/S COMMISSIONER OF CUSTOMS (IMPORT), MUMBAI (CESTAT Mumbai)

BRIEF: The appellants filed the claim of refund at ICD, Dadri within a period of one year from the date of payment of SAD. However, the goods were imported at CFS, Mulund and the SAD was paid there. By the time the refund claims were forwarded by Customs authorities at Dadri to the authorities at Mulund, a period of over one year had lapsed from the time of payment of duty to the time of receipt of refund claims at CFS, Mulund.

OUR TAKE: In the above case the Hon'ble CESTAT Mumbai held that notification does not requires the claim to be filed with the jurisdictional customs officer, who, in this case,

was the proper officer at CFS, Mulund. By mistake, their consultant filed these claims in question at Dadri. There is no dispute on the fact that the claims were filed within the stipulated time limit of one year but with ICD Dadri. There is also no dispute on the fact that the claims were received subsequently in CFS Mulund. Since the original application for refund was filed within time, though before wrong authority, it cannot be said that the said application was barred by limitation. Following decision of **Commissioner of Central Excise vs. AIA Engineering Ltd. (Gujarat HC-2010) [Decided in favour of assessee]**

INCOME TAX

NOTIFICATIONS & CIRCULARS

The **CBDT vide Notification No. 43/2015 dated 24th April 2015** hereby notifies that the organization **Pandit Deendayal Petroleum University Raisan Gandhi Nagar Gujarat, (PAN-AABTP3856A)** has been approved by the Central Government for the purpose of **section 35(1)(ii) of the Income-tax Act, 1961** read with **Rules 5C and 5E of the Income Tax rules 1962** from Assessment year 2014-2015 and onwards in the category of "University College and other Institution", for the Departments/schools engaged in research activities subject to the following conditions, namely:-

- i) The sums paid to the approved organization shall be utilized for scientific research;
- ii) The approved organization shall carry out scientific research through its faculty members or its enrolled students;
- iii) The approved organization shall maintain separate books of accounts in respect of the sums received by it for scientific research, and get the books audited.
- iv) The approved organization shall maintain a separate statement of donations received and amounts applied for scientific research in respect of concerned Departments and a copy of such statement duly certified by the auditor shall accompany audit report.

OUR TAKE: The Central Government shall withdraw the approval if the approved organization fails to maintain separate books of accounts, fails to furnish its audit report, fails to furnish its statement of the donations received and sums applied for scientific research, ceases to carry on its research activities or its research activities are not found to be genuine; or ceases to conform to and comply with the

provisions of section 35(1)(ii) of the Income-tax Act, 1961 read with Rules 5C and 5E of the Income Tax rules 1962.

COURT DECISIONS

M/S CHENNAI PROPERTIES & INVESTMENTS LTD V/S THE COMMISSIONER OF INCOME TAX (Supreme Court)

BRIEF: The assessee is a company incorporated under the Indian Companies Act. Its main objective, as stated in the Memorandum of Association, is to acquire the properties in the city of Madras (now Chennai) and to let out those properties. The assessee had rented out such properties and the rental income received therefrom was shown as income from business in the return filed by the assessee. The assessing officer, however, refuse to tax the same as business income. According to the assessing officer, since the income was received from letting out of the properties, it was in the nature of rental income. He, thus, held that it would be treated as income from house property and taxed the same accordingly under that Head.

OUR TAKE: In the above case, the Hon'ble Supreme Court held that where there is a letting out of premises and collection of rents the assessment on property basis may be correct but not so, where the letting or sub-letting is part of a trading operation. As per the objects clause of the company, the main objective is holding the properties and earning income by letting out the properties. The diving line in the case of a company is its professed objects and the manner of its activities and the nature of its dealings with its property. Following the decision of '**Karanpura Development Co. Ltd. v. Commissioner of Income Tax, West Bengal (Supreme Court) [Decided in favour of assessee]**

BHUPESH KUMAR SIKSHAN EVAM VIKAS SANSTHAN V/S DIRECTOR GENERAL OF INCOME TAX (INV.) (Patna HC)

BRIEF: The petitioner claims to be running educational institution in the nature of a school. A search was made u/s 132 in the school premises and certain incriminating documents were seized. Admittedly, the petitioner itself approached the settlement commission and voluntarily disclosed unaccounted income of ₹ 4.00 crores over and above the income shown in the returns of Shri Bhupesh Kumar. The disclosure pertains to the assessment years 2005-06 to 2010-11. Being a society, the petitioner subsequently filed an application for exemption under Section 10 (23C) (iv) of the Income Tax Act. The petitioner was directed to submit documents including the audited books of accounts for the financial year 2009-10 but it was not done so. The application was thus rejected.

OUR TAKE: In the above case, the Hon'ble Patna High Court held that the application itself was filed without the audited accounts. The petitioner not only failed to supply initially the audited accounts and balance-sheet for the financial year which pertained to the said assessment year but despite opportunities granted, the same was not produced nor the books of account were shown and thus rejection of the claim on the said ground cannot be said to be contrary to law. If the society has been generating huge profits year after year, it cannot be said to be existing solely for educational purposes. **[Decided against assessee]**

STATE TAXES

ALL INDIA VAT

RAJASTHAN

The Govt. of Rajasthan vide Notification No. **F.12(34)FD/Tax/2010-12 dated 27th April 2015** substituted the entry at Sl.No.10 in Schedule V with :

"Bitumen except goods mentioned at serial number 222 of Schedule IV"

Also vide Notification No. **F.12(34)FD/Tax/2010-11 dated 27th April 2015**, an addition in Sl. No.222 of Schedule IV has been made namely:

"Bitumen Emulsion, Crumb Rubber Modified Bitumen and Polymer Modified Bitumen"

OUR TAKE: The notifications are self-explanatory.

ORISSA

The Govt. of Orissa vide Notification No **12846-FIN-CT1-TAX-0028-2012 dated 25th April 2015** has specified that the application for the purpose of section 4(Odisha Sales tax (Settlement of Arrears) Act) shall be made within forty seven months form the 1st day of May, 2012 which is the date of commencement of the Act.

OUR TAKE: The notification is self-explanatory.

SIKKIM

The **Govt. of Sikkim vide Notification No.101/CTD/2015 dated 27th April 2015** hereby extends the prescribed period of filing return for the fourth quarter of fiscal year 2014-15 (January to March 2015) for fifteen days in consideration of time consumed in process of incorporation of tax rate modification in the software.

OUR TAKE: The extended due date to file the returns is 15th May 2015.

WEST BENGAL

The **Govt. of West Bengal vide Trade Circular No. 354CT/PRO dated 29th April 2015** has extended the due date of filing the VAT, CST and ET Returns for the quarter ended March 2015 to 15th May 2015. Also, the due date of filing the revised returns for Quarter ended September 2014 is extended to 15th May 2015.

The last date of filing the Profession Tax Return has been extended to 31st May 2015.

OUR TAKE: The notification is self-explanatory.

AMNESTY SCHEME U/S 24A OF WBVAT ACT, 2003

The steps for availing the Amnesty Scheme of VAT registration is enumerated below:

Step 1: Prepare the Declaration for Amnesty Scheme

Step 2: Pay the tax as computed as per the Declaration through GRIPS Portal

Step 3: Apply New Registration

Step 4: Completely fill up and sign the Declaration downloaded in step 1.

Step 5: Submit the signed Declaration (step-4), copy of challan (step-3) and signed print copy of Application for New Registration (step-2) to the respective Registering Authority for disposal.

DELHI

The **Govt. of National Capital Territory Of Delhi vide Notification No.F.7(420)/VAT/Policy/2011/PF/78-84 dated 27th April 2015** has extended the due date of filing the returns for the Quarter ended March 2015 to 15th May 2015.

OUR TAKE: The notification is self-explanatory.

Also, vide **Circular No. 01 dated 24th April 2015 the Dept of Trade & Taxes has communicated about the up-gradations/Changes made in the existing modules, during the first half of April 2015 viz-a-viz:**

- 1.) **Item add link (for dealers):** The "item add" link initially provided to the dealer for online downloading of central forms has been removed. Now, the item can be added through amendment or DP-1 link only.
- 2.) **Change of Part A/B Option in the DVAT -17 (for dealers, department):** Some work contractor dealers have wrongly opted the part A instead of part B at the time of filing of DVAT-17 return. Such dealers were unable to file the correct DVAT-17 return. A Front end application has been developed and provided to the System Branch to change the option selected at the time of filing of DVAT-17.
- 3.) **Composition applications Form WC 01 (for dealer):** For dealer intending to opt the composition scheme Form for contractor, WC 01 form has been made available online. The Composition Forms: DVAT 01, 02, 03 BU-01, BU-02, DM 01, DM-02 : DVAT 01, BU-01, DM-01 are also online. All dealers intending to opt composition scheme need to furnish the online application only.
- 4.) **Updation of Tax Challans (for dealer, department):** For updating the tax period & type related in the tax challan of the dealer, the link has now been provided to respective nodal officers of the Zones. The concerned AA shall ensure the challan is not utilized using CIN verification report and forward the dealers request to the concerned nodal officer through their zonal Incharge.
- 5.) **Processing of Refund (for Department):** For administrative reason built in check has been provided in the Systems to process only one refund per week for a dealer.

OUR TAKE: Dealers are requested to go through the up gradation /changes to avail of the benefits.

Also, vide **Circular No. 3 of 2015-16 dated 27th April 2015** the **Govt. of National Capital Territory of Delhi** has decided to issue registration under **DVAT & CST** as per following procedure:

- 1.) Dealer to intimate PAN and brief particulars including email, mobile phone etc., on line to begin with.
- 2.) PAN shall be verified from Income Tax data base maintained by NSDL. The process will be streamlined further and PAN verification would be done on real time basis shortly.
- 3.) On successful PAN verification, user ID and password would be communicated to the registrant on the same day.
- 4.) Dealer can file registration application under DVAT and/ or CST, as the case may be, and deposit fee online. Scanned requisite documents are also required to be uploaded with the application.

- 5.) Registration number/TIN would be generated on submission of application. Registration Certificate would be made available in the login of dealer on the same day. It would be a Provisional Registration till physical verification is made.
- 6.) The application(s) would be made available in the login of concerned ward VATO who will examine the application documents and get the physical verification done through ward VATI as per the instructions already issued on the subject, within 7 days.
- 7.) On satisfactory inspection and due verification of requisite documents, signed copy of the RC would be dispatched to the dealer by post till the online dispatch facility through digital signatures is extended to all Registration Authorities of the department.
- 8.) In case of adverse report, show cause notice in form DVAT-10 would be issued and disposed of.

OUR TAKE: In the aforesaid process, Registration number/TIN would be issued within a day to the dealer pending physical verification. Registration Certificate (RC) which would be provisional would also be made available in the login of the dealer. All Assessing Authorities are directed to follow the aforesaid process scrupulously. The procedure as detailed above shall take effect from 30th April, 2015.

KERALA

The **Govt. of Kerala vide CIRCULAR No. 12/15 dated 25th April 2015** has issued following instructions for extension in filing application for compounding and registration renewal for the year 2015-16:

1. The last date for filing option for the payment of compounded tax under Section 7 of KGST Act, Section 5A of KTL Act and Section 8 of the KVAT Act for the year 2015-06 is extended upto 20th May, 2015.
2. The last date for filing application for renewal of registration under KVAT Act, KGST Act and KTL Act for the year 2015-16 is extended upto 15th may 2015.

OUR TAKE: The notification is self-explanatory.

OTHER UPDATES

MCA

INTEGRATED E-FORM FOR INCORPORATION OF COMPANIES (INC-29)

MCA vide Notification dated 01.05.2015 introduced a new integrated E-form" INC-29" for filling one single application for registering a company.

Key Points of INC-29 are:

- Simple and less time consuming process
- The promoter or applicant of the proposed company shall propose only one name in e-form No. INC-29
- Maximum DIN allotted in INC 29 is only 3
- Registration fees Rupees 2000 with additional fees depending upon the capital of the company
- Option is available for amending the Template of Memorandum of Association and Articles of Association
- Two re-submissions will be permitted
- In case Directors/Shareholders have DIN, then separate address proof/ID proof will not be asked
- If form is rejected then we will get refund after follow normal process of Refund
- This form is not meant for Section 8 Companies

It is to be noted that with the introduction of INC-29, the existing e-forms i.e. DIN-3, INC-1, INC-7/2, INC-22, DIR-12 will continue to function as it is. The single form facility will be in addition to the current process of registering a company. Apart from eform 29, MCA is also going to introduce eform 30 and 31 for filing Memorandum of Association and Article of Association.

RBI

MERCHANTING TRADE TO NEPAL AND BHUTAN

The **RBI vide A.P. (DIR Series) Circular No. 97 dated 30th April 2015** has clarified that goods consigned to the importers of Nepal and Bhutan from third countries under merchanting trade from India would qualify as traffic-in-transit, if the goods are otherwise compliant with the provisions of the India-Nepal Treaty of Transit and Indo-Bhutan Treaty of Transit respectively.

ISSUE OF CREDIT CARDS BY SCHEDULED URBAN COOPERATIVE BANKS

The **RBI vide Notification DCBR.CO.BPD. (SCB).No.1/ 13. 05. 000/2014-15 dated 30th April 2015** has decided to allow financially sound and well managed (FSWM) scheduled urban co-operative banks, which are CBS-enabled and having minimum net worth of ₹ 100 crore, to issue credit cards in affiliation with entities authorized by Department of Payment and Settlement Systems, Central Office.

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